FY 2026-27: DEPARTMENT OF TRANSPORTATION
Summary: As Passed by the Senate
Article 15, Senate Bill 878 (S-1) as Amended

Analyst: William E. Hamilton

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	*Difference: Senate From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$4,366,200	$4,555,300	$4,424,000	$4,555,300	$	*$189,100*	*4.3*
Federal	2,329,605,500	2,374,354,200	2,384,442,300	2,374,354,200		*44,748,700*	*1.9*
Local	87,448,500	86,948,500	87,448,500	86,948,500		*(500,000)*	*(0.6)*
Private	20,500,000	20,500,000	20,500,000	20,500,000		*0*	*0.0*
Restricted	5,447,575,600	6,038,263,400	5,997,647,100	6,013,263,400		*565,687,800*	*10.4*
GF/GP	0	0	100,000,000	0		*0*	*--*
Gross	**$7,889,495,800**	**$8,524,621,400**	**$8,594,461,900**	**$8,499,621,400**	**$**	***$610,125,600***	***7.7***
FTEs	3,208.3	3,219.3	2,859.3	3,219.3		*11.0*	*0.3*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, approximately two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. State-restricted revenue in this budget includes revenue from motor fuel taxes, vehicle registration taxes, as well as from an earmark of Corporate Income Tax Act revenue, and revenue from state excise taxes on sales of marijuana. For FY 2026-27, an estimated $4.0 billion in state restricted revenue will be credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 ("Act 51") to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs. Federal funds for transportation programs are authorized under the federal Infrastructure Investment and Jobs Act (IIJA).

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 YTD (as of 2/11/26)**	**Senate Change from YTD**
1. Debt Service	**Gross**	**$340,804,200**	**($1,800)**
Executive debt service totals $340.8 million, $1,800 less than FY 2025-26. Of total debt service, $333.6 million is for debt service on STF bonds. House concurs with Executive. Senate concurs with Executive.	Restricted	340,804,200	(1,800)
	GF/GP	$0	$0
The debt service appropriation is primarily based on debt service schedules for previously issued and outstanding bonds, including STF Rebuilding Michigan bonds issued in calendar years (CYs) 2020, 2021, and 2023.			
2. Services Provided by Other State Departments (IDGs)	**Gross**	**$52,972,200**	**$191,700**
Executive net increase of $191,700 (state restricted) reflects adjustments to cost estimates and related fund sourcing for 20 specific Interdepartmental Grant (IDG) line items that authorize the reimbursement of other state departments for services provided to transportation programs and state restricted transportation funds. House retains at current-year funding for 19 of 20 specific IDG line items but eliminates the $20.0 million MTF IDG to the Secretary of State. This $20.0 million MTF is reallocated to state and local road and bridge line items below. (Items 13b, 14b, and 19.) Senate concurs with Executive.	Restricted	52,972,200	191,700
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
3. Unclassified Positions	FTE	6.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces by $500,400 (state restricted) to reflect FY 2024-25 actual expenditures. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$993,200**	**$0**
	Restricted	993,200	0
	GF/GP	$0	$0
4. Business Support Services	FTE	75.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces by $2.9 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 4.0 FTEs to 71.0 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$13,174,900**	**$0**
	Restricted	13,174,900	0
	GF/GP	$0	$0
5. Commission Audit	FTE	29.3	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces by $1.3 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 6.3 FTEs to 23.0 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$4,929,800**	**$0**
	Restricted	4,929,800	0
	GF/GP	$0	$0
6. Economic Development and Enhancements	FTE	11.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces by $442,100 STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 2.0 FTEs to 9.0 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$1,897,500**	**$0**
	Restricted	1,897,500	0
	GF/GP	$0	$0
7. Finance, Contracts, Support Services	FTE	195.0	0.0
Executive includes $1.1 million STF increase for financial accounting compliance and financial management costs. (Economic adjustments are included in Item #50, below.) House reduces by $3.7 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 26.0 FTEs to 169.0 FTEs. Senate concurs with Executive.	**Gross**	**$28,214,200**	**$1,112,600**
	IDG	4,366,200	0
	Restricted	23,848,000	1,112,600
	GF/GP	$0	$0
8. Property Management	**Gross**	**$9,682,100**	**($1,066,100)**
Executive budget reflects DTMB cost allocation adjustments which result in a $1.1 million decrease, primarily STF, in appropriation for property maintenance and management. House concurs with Executive. Senate concurs with Executive.	Restricted	9,682,100	(1,066,100)
	GF/GP	$0	$0
9. Information Technology	**Gross**	**$42,299,500**	**$5,345,000**
Executive includes $5.3 million increase, primarily STF, for information technology cost increases. House reduces baseline funding by 50% from current year, a reduction of $21.1 million STF. Senate concurs with Executive.	Federal	520,500	12,400
	Restricted	41,779,000	5,332,600
	GF/GP	$0	$0
10. Planning Services	FTE	144.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below) and position transfers. House reduces by $13.4 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 13.2 FTEs to 130.8 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$267,155,600**	**$0**
	Federal	23,529,800	0
	Restricted	243,625,800	0
	GF/GP	$0	$0
11. Design and Engineering Services	FTE	1,657.3	0.0
Executive includes $6.1 million increase (state restricted STF and federal) to support increased costs of maintenance and operations of Intelligent Transportation Systems and $526,600 for maintenance and energy costs of 3,141 traffic signals shared with local units of government. (Economic adjustments are included in Item #50, below.) House reduces by $53.9 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 171.3 FTEs to 1,486.0 FTEs. Senate concurs with Executive.	**Gross**	**$267,155,600**	**$6,653,200**
	Federal	23,529,800	2,449,500
	Restricted	243,625,800	4,203,700
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
12. State Trunkline Maintenance	FTE	908.7	3.0
Executive includes a total increase of $24.3 million STF: $23.7 million STF to reflect increased costs of maintenance materials and service contracts; $654,000 STF (and 3.0 FTE positions) for added lane miles in the University Region. (Economic adjustments are included in Item #50, below.) House reduces ongoing support by $22.5 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 103.0 FTEs to 804.9 FTEs. Senate concurs with Executive.	**Gross**	**$486,654,800**	**$24,322,300**
	Restricted	486,654,800	24,322,300
	GF/GP	$0	$0
13a. MTF/NRF Distribution to Cities/Villages	**Gross**	**$989,893,600**	**$122,476,100**
Executive Includes $1.1 billion for distribution to cities and villages per Act 51 formula, a $122.5 million increase. This reflects the full-year impact of the October 2025 Transportation Funding Package, including increases in motor fuel taxes as well as funding from the Neighborhood Roads Fund (NRF). House concurs with Executive. Senate concurs with Executive.	Restricted	989,893,600	122,476,100
	GF/GP	$0	$0
13b. Redistributes $20.0 million MTF to Cities/Villages	**Gross**	**$0**	**$0**
House includes $4.4 million MTF as the city/village share of the $20.0 million MTF reduction in the Secretary of State IDG (Item #2, above). Executive and Senate do not include.	Restricted	0	0
	GF/GP	$0	$0
13c. GF/GP Distribution to Cities/Villages	**Gross**	**$0**	**$0**
House includes $28.0 million GF/GP to cities/villages; this represents 28% of $100.0 million GF/GP designated for road and bridge programs in the Senate bill. Executive and Senate do not include.	Restricted	0	0
	GF/GP	$0	$0
14a. MTF/NRF Distribution to County Road Commissions	**Gross**	**$1,790,859,100**	**$221,242,300**
Executive includes $2.0 billion for distribution to county road commissions per Act 51 formula, a $221.2 million increase. This reflects the full-year impact of the October 2025 Transportation Funding Package, including increases in motor fuel taxes as well as funding from the NRF. House concurs with Executive. Senate concurs with Executive.	Restricted	1,790,859,100	221,242,300
	GF/GP	$0	$0
14b. Redistributes $20.0 million MTF to County Road Commissions	**Gross**	**$0**	**$$0**
House includes $7.8 million MTF as the county road commission share of the $20.0 million MTF reduction in the Secretary of State IDG (Item #2, above). Executive and Senate do not include.	Restricted	0	0
	GF/GP	$0	$0
14c. GF/GP Distribution to County Road Commissions	**Gross**	**$0**	**$0**
House includes $52.0 million GF/GP to county road commissions; this represents 52% of $100.0 million GF/GP designated for road and bridge programs in this budget. Executive and Senate do not include.	Restricted	0	0
	GF/GP	$0	$0
15. Local Bridge Program	**Gross**	**$126,417,100**	**$133,800**
Executive includes $133,800 increase, the estimated increase in MTF revenue designated for this program per Act 51 formula. In addition to $26.6 million MTF, the budget includes $100.0 million NRF, an Act 51 earmark made in the October 2025 Transportation Funding Package. House concurs with Executive. Senate concurs with Executive.	Restricted	126,417,100	133,800
	GF/GP	$0	$0
16. Movable Bridge Fund/Program	**Gross**	**$6,309,000**	**$195,600**
Executive includes $195,600 MTF inflationary adjustment, as required by Act 51, for program that provides funding to MDOT and certain local road agencies for operating costs of movable bridges under state and local jurisdiction. [Executive includes new boilerplate provisions that reflect Act 51 amendments to allow use of Movable Bridge Fund revenue for local bridge inspections.] House concurs with Executive. Senate concurs with Executive.	Restricted	6,309,000	195,600
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
17. Local Rail Grade Separation Fund	**Gross**	**$40,000,000**	**$0**
Executive includes $40.0 million from the NRF – unchanged from FY 2025-26. This $40.0 million is an earmark of NRF revenue made in Act 51 as part of the October 2025 Transportation Funding Package. House concurs with Executive. Senate concurs with Executive.	Restricted	40,000,000	0
	GF/GP	$0	$0
18. Rail Grade Crossing Surface Improvement	**Gross**	**$3,000,000**	**$0**
Executive retains at $3.0 million MTF, the amount designated in Sec. 10 of Act 51. House includes at $6.0 million MTF, a $3.0 million increase. Senate concurs with Executive and retains at current year funding.	Restricted	3,000,000	0
	GF/GP	$0	$0
19. State Trunkline Road and Bridge Capital Program	**Gross**	**$1,851,212,700**	**$137,602,800**
Executive recommendation totals $2.0 billion, an increase of $137.6 million. While estimated available federal funds would decrease by $2.5 million, state restricted support would increase by net $140.1 million. The state restricted increase is the net of a $3.7 million reduction in Blue Water Bridge Fund authorization, increased estimated available STF revenue of $143.8 million, available in part from increases in the October 2025 Transportation Funding Package. House uses the Executive recommendation as a starting point but increases STF support by an additional $127.6 million – $119.7 million from a reallocation of STF operating reductions noted above, and $7.8 million as the STF share of the $20.0 million MTF reduction in the Secretary of State IDG (Item #2, above). House also includes $20.0 million GF/GP, 20% of $100.0 million GF/GP designated for road and bridge programs in this budget. Senate concurs with Executive.	Federal	1,315,266,400	(2,487,700)
	Local	30,003,500	0
	Private	10,000,000	0
	Restricted	495,942,800	140,090,500
	GF/GP	$0	$0
20. Blue Water Bridge Operations	FTE	47.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces baseline Blue Water Bridge Fund support by $255,400 to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 6.0 FTEs to 41.0 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$7,908,600**	**$0**
	Restricted	7,908,300	0
	GF/GP	$0	$0
21. Transportation Economic Development Fund (TEDF)	**Gross**	**$53,190,500**	**($24,707,300)**
Executive includes $53.5 million in restricted TEDF support, an increase of $292,700 from current year, reflecting estimated available TEDF revenue. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231. House concurs with Executive. Senate reduces funding by a total of $24.7 million through elimination of funding for the Target Industries categorical program, ($24.6 million); and reduction in the Forest Roads program, ($258,400).	Restricted	53,190,500	(24,707,300)
	GF/GP	$0	$0
22. Aviation Services	FTE	0.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces baseline State Aeronautics Fund support by $1.0 million to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 4.7 FTEs to 43.3 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$7,848,300**	**$0**
	Restricted	7,848,300	0
	GF/GP	$0	$0
23a. Air Service Program	**Gross**	**$50,000**	**$0**
Executive retains grant program at current year funding, $50,000 (state restricted). House and Senate concur with Executive.	Restricted	50,000	0
	GF/GP	$0	$0
23b. Air Service Program – GA Airports	**Gross**	**$0**	**$0**
House includes new grant program targeted for General Aviation airports in Michigan using $5.3 million from the State Aeronautics Fund. Senate does not include.	Restricted	0	0
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
24. Passenger Transportation Services	FTE	46.0	0.0
Executive includes $589,100 CTF increase and 4.0 FTEs to implement public transportation elements of the October 2025 Transportation Funding Package. (Economic adjustments are included in Item #50, below.) House reduces baseline support by $1.7 million CTF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 9.1 FTEs to 36.9 FTEs. Senate concurs with Executive.	**Gross**	**$7,410,900**	**$0**
	Federal	2,000,000	0
	Restricted	5,410,900	0
	GF/GP	$0	$0
25. Local Bus Operating – CTF Funding	**Gross**	**$271,607,300**	**$43,392,700**
Executive increases CTF support for local bus operating assistance to $315.0 million, an increase of $43.4 million. This reflects increased available CTF revenue from the October 2025 Transportation Funding Package. House increases CTF funding to $290.0 million, an increase of $18.4 million. Senate concurs with Executive.	Restricted	271,607,300	43,392,700
	GF/GP	$0	$0
26. Transit Programs – Non-Urban Operating/Capital	**Gross**	**$41,123,000**	**$812,500**
Executive includes $41.9 million for non-urbanized area formula grant program established under 49 USC 5311 ($39.9 million federal funds and $2.0 million local funds). The $812,500 increase in federal funds reflects increase in estimated federal grants available to Michigan under IIJA. House concurs with Executive. Senate concurs with Executive.	Federal	39,123,000	812,500
	Local	2,000,000	0
	GF/GP	$0	$0
27. Detroit Wayne County Port Authority	**Gross**	**$600,000**	**$0**
Executive retains current year funding level. House increases CTF support to $700,000, a $100,000 increase. Senate concurs with Executive.	Restricted	600,000	0
	GF/GP	$0	$0
28. Intercity Services	**Gross**	**$10,189,700**	**$676,000**
Executive increases baseline support by $676,000 reflecting estimated available federal and state restricted CTF revenue. This line item supports contracts between MDOT and intercity carriers to provide intercity bus service to small urban and rural communities without other intercity public transportation services. House retains current year funding level. Senate concurs with Executive.	Federal	6,303,600	126,100
	Local	160,000	0
	Private	800,000	0
	Restricted	2,926,100	549,900
	GF/GP	$0	$0
29. Marine Passenger Service	**Gross**	**$20,559,100**	**($20,559,100)**
Executive eliminates line that provided capital assistance for marine passenger systems. Executive rolls line into a new *Intermodal Capital* line item within Passenger Transportation Development, as shown in Item #34, below. House retains line item and increases support to $4.0 million CTF, a $2.0 million increase. Senate concurs with Executive.	Federal	18,059,100	(18,059,100)
	Local	500,000	(500,000)
	Restricted	2,000,000	(2,000,000)
	GF/GP	$0	$0
30. Office of Rail	FTE	41.0	0.0
Executive makes no change from current year other than economic adjustments (included in Item #50, below). House reduces baseline support by $2.1 million to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 3.6 FTEs to 37.4 FTEs. Senate concurs with Executive and includes no substantive changes.	**Gross**	**$7,485,900**	**$0**
	Restricted	7,485,900	0
	GF/GP	$0	$0
31. Rail Operations and Infrastructure	**Gross**	**$149,388,500**	**$70,000,000**
Executive includes $70.0 million increase in federal support to reflect an anticipated grant for a rail freight development project in southwest Detroit. House and Senate concur with Executive.	Federal	30,000,000	70,000,000
	Local	100,000	0
	Private	3,700,000	0
	Restricted	115,588,500	0
	GF/GP	$0	$0
32. Service Initiatives	**Gross**	**$20,992,300**	**($14,692,300)**
Executive reduces federal revenue to reflect current estimates; shifts $6.3 million CTF to new *Intermodal capital* line item (Item #34 below). House concurs with Executive revenue reductions but does not shift CTF to the *Intermodal capital* line item. Senate concurs with Executive.	Federal	9,704,000	(8,404,000)
	Local	2,000,000	0
	Private	2,000,000	0
	Restricted	7,288,300	(6,288,300)
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
33. Specialized Services	**Gross**	**$30,615,900**	**$273,200**
Executive increases federal support by $273,200 reflecting estimated available federal revenue. House retains at current year funding. Senate concurs with Executive.	Federal	13,430,900	273,200
	Local	4,185,000	0
	Restricted	13,000,000	0
	GF/GP	$0	$0
34. Transit Capital/Intermodal Capital	**Gross**	**$247,793,500**	**$15,787,300**
Executive establishes a new *Intermodal capital* line item from three current line items: *Transit capital, Marine passenger service*, and *Services initiatives*. (See. Item #s 29 and 32, above). The new line item represents a $51.0 million increase in state restricted CTF support as compared to the current year *Transit capital* line item. The new line represents a net $15.8 million increase as compared to current year funding for the three component line items. House retains *Transit capital* at current-year funding levels. Senate concurs with Executive.	Federal	146,941,600	(26,463,100)
	Local	31,000,000	(500,000)
	Private	2,000,000	0
	Restricted	67,851,900	42,750,400
	GF/GP	$0	$0
35. Vanpooling	**Gross**	**$400,000**	**($100,000)**
Executive includes at $300,000 CTF, a $100,00 reduction. House includes at $195,000 CTF, a $205,000 reduction. Senate concurs with Executive.	Restricted	400,000	(100,000)
	GF/GP	$0	$0
36. Infrastructure Projects Authority Fund/Program	**Gross**	**$65,000,000**	**$0**
Executive, House, and Senate retain $65.0 million line item first established in FY 2025-26, reflecting an Act 51 earmark of NRF revenue, part of the October 2025 Transportation Funding Package.	Restricted	65,000,000	0
	GF/GP	$0	$0
37. Maritime and Port Facility Assistance Grant Program	FTE	0.0	4.0
Executive authorizes $5.3 million from the Maritime and Port Facility Assistance Fund for the Maritime and Port Facility Assistance Grant Program with 4.0 FTE positions. House concurs with Executive with respect to funding; authorizes 1.0 FTE position. Senate concurs with Executive.	**Gross**	**$0**	**$5,294,700**
	Restricted	0	5,294,700
	GF/GP	$0	$0
The FY 2025-26 budget had appropriated $5.3 million CTF for credit to the Maritime and Port Facility Assistance Fund but did not provide authority for expenditures from the fund.			
38. Capital Outlay - Salt Buildings and Containment Control	**Gross**	**$3,000,000**	**$300,000**
Executive includes $300,000 STF increase. House retains at current year level. Senate concurs with Executive.	Restricted	3,000,000	300,000
	GF/GP	$0	$0
39. Capital Outlay – Special Maintenance, Remodeling, Additions	**Gross**	**$5,000,500**	**$350,000**
Executive includes $350,000 STF increase. House retains at current year level. Senate concurs with Executive.	Restricted	5,000,500	350,000
	GF/GP	$0	$0
40. Capital Outlay - Airport Improvement Program (AIP)	**Gross**	**$189,045,000**	**($7,735,200)**
Executive reduces state restricted State Aeronautics Fund support by $7.7 million to reflect revenue estimates. [The FY 2025-26 State Aeronautics Fund appropriation was $7.7 million in excess of revenue estimates.] House retains current year funding level using $7.7 million State Aeronautics Fund revenue as transferred from the CTF in Sec. 722 of the House bill. Senate concurs with Executive.	Federal	155,000,000	0
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	14,545,000	(7,735,200)
	GF/GP	$0	$0
[This program is shown in the budget under the line item, *Airport Safety, Protection, and Improvement*.]			
41. IIJA Airport Infrastructure Grants	**Gross**	**$115,000,000**	**$0**
Executive, House, and Senate retain current-year funding of $115.0 million based on estimated federal aid available under public airport assistance program established under Division J of IIJA.	Federal	115,000,000	0
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
42. Detroit Metropolitan Wayne County Airport	**Gross**	**$13,020,000**	**($6,585,000)**
Executive reduces state restricted Qualified Airport Fund (QAF) support by $6.6 million to reflect revenue estimates. The FY 2025-26 QAF appropriation was $6.6 million in excess of revenue estimates. House retains current year funding level using $6.6 million QAF as transferred from the CTF in Sec. 722 of the House bill. Senate concurs with Executive. The QAF was established through 2015 amendments to the State Aeronautics Code.	Restricted	13,020,000	(6,585,000)
	GF/GP	$0	$0
43. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$28,828,800**	**($28,828,800)**
Executive, House, and Senate remove $28.8 million Gross ($0.0 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support the following: • Maritime and Port Fund, ($5.3 million CTF) • Railroad Heritage Preservation, ($5.3 million CTF) • Non-motorized Trails, ($5.3 million CTF) • State Aeronautics Fund transfer ($5.3 million CTF) • Road Usage Charge Study and Pilot ($7.7 million MTF)	Restricted	28,828,800	(28,828,800)
	GF/GP	$0	$0
44. Coloma Salt Shed and Maintenance Facility (One-Time)	**Gross**	**$0**	**$5,168,100**
Executive Includes $5.2 million STF (one-time) to rebuild a salt shed and maintenance facility in Coloma. House does not include. Senate concurs with Executive.	Restricted	0	5,168,100
	GF/GP	$0	$0
45. Other Maintenance Facilities (One-Time)	**Gross**	**$0**	**$5,600,000**
Executive includes $5.6 million STF (one-time) for capital maintenance and repairs to maintenance facilities. House does not include. Senate concurs with Executive.	Restricted	0	5,600,000
	GF/GP	$0	$0
46. Great Lakes Tunnel Project – Phase II Oversight (One-Time)	**Gross**	**$0**	**$4,100,000**
Executive includes $4.1 million (one-time) from the state restricted Michigan Infrastructure Fund for continued planning and construction oversight of the Great Lakes Tunnel project authorized under 2018 PA 359. House does not include. Senate concurs with Executive.	Restricted	0	4,100,000
	GF/GP	$0	$0
47. Rail Freight/Rail Economic Development (One-Time)	**Gross**	**$0**	**$0**
House includes $23.0 million CTF (one-time) for a rail freight/rail economic development grant program defined in boilerplate of the House bill. Senate does not include.	Restricted	0	0
	GF/GP	$0	$0
48. Grants to Commercial Service Airports (One-Time)	**Gross**	**$0**	**$0**
House includes $16.8 million CTF (one-time) for a grant program targeted at commercial service airports with fewer than 5.0 million enplanements, defined in Sec. 1002 of the House bill. Senate does not include.	Restricted	0	0
	GF/GP	$0	$0
49. Maritime and Port Facility Assistance Program	**Gross**	**$0**	**$0**
House includes $22.0 million CTF (one-time) for the Maritime and Port Facility Assistance Program. Senate does not include.	Restricted	0	0
	GF/GP	$0	$0
50. Economic Adjustments	**Gross**	**NA**	**$6,470,800**
Executive budget reflects increased costs of $6.5 million Gross ($0.0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. House concurs with Executive with respect to total funding but includes as a single departmentwide economic adjustments line. Senate concurs with Executive and spreads economics to specific operating line items.	IDG/IDT	NA	57,800
	Federal	NA	163,200
	Restricted	NA	6,249,800
	GF/GP	NA	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Senate Change from YTD
51. Employees by Status	**Gross**	**NA**	**$0**
House includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service commission and are as follows: • Full-time employees – 2,668.0 • Limited-term employees – 58.8 • Noncareer/per diem employees – 81.0 • Part-time employees – 1.0 • Permanent-intermittent employees – 52.0 • Seasonal employees – 31.0 Senate does not include this list.	GF/GP	NA	$0

Major Boilerplate Changes from FY 2025-26
[Except as otherwise noted, the section numbers are as shown in current year appropriations act.]

Sec. 206. Communication with the Legislature **– RETAINED**
Prohibits department from taking disciplinary action against department employees for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law. Executive deletes. House retains, renumbered as Sec. 221. Senate retains. *(The Governor had previously indicated this section was unenforceable.)*

Sec. 207. Out-of-State Travel **– RETAINED**
Requires department to report on out-of-state travel expenses in the previous fiscal year that were funded in whole or in part with state appropriations; requires the report to include dates of each travel occurrence and details on sources of revenues used to finance transportation costs. Executive retains. House revises to add requirement to report on destination of each travel occurrence, including the specific name of events or meetings attended; renumbers as Sec. 211. Senate concurs with Executive and retains current year language.

Sec. 208. State Administrative Board Transfers **– NEW**
Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. House includes as Sec. 204. Senate includes as Sec. 208.

Sec. 210. Contingency Authorization **– RETAINED**
Authorizes up to $500.0 million in federal, $40.0 million in state restricted, $1.0 million in local, and $11.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items in accordance with the Management and Budget Act. Executive retains. House revises to reduce federal contingency authorization to $40.0 million, state restricted to $5.0 million, and $1.0 million each for local and private contingency authorization; renumbers as Sec. 216. Senate concurs with Executive and retains current year language.

Sec. 212. Restricted Fund Report **– RETAINED**
Section that requires the department to work with the State Budget Office to provide a report on restricted fund revenues, expenditures, and fund balances. [This report is currently included in the annual budget presentation.] Executive deletes. House retains; renumbers as Sec. 209. Senate retains.

Sec. 214. Access to Government Services **– RETAINED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers. Executive retains. House deletes. Senate retains as Sec. 221.

Sec. 215. Geographically Disadvantaged Business Enterprises Compete for Contracts **– RETAINED**
Requires department director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires department director to strongly encourage firms with which department contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes. Senate retains.

Major Boilerplate Changes from FY 2025-26
[Except as otherwise noted, the section numbers are as shown in current year appropriations act.]

Sec. 216. FTE Positions **– RETAINED**
Requires department to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to include reporting on employees in full-time, part-time, permanent-intermittent, limited-term, seasonal, worker's compensation, noncareer/per diem, job share, and special personal services/contractual statuses and the number of overtime hours worked by employees by classifications; renumbered as Sec. 212. Senate retains.

Sec. 218 (House Bill). Expending Available Work Project Authorization **– NOT INCLUDED**
Prohibits, to the extent possible, expenditures from appropriations that have unexpended work project authorization until all existing work project authorization for the same purpose is exhausted. House includes new language. Senate does not include.

Sec. 219. Retention of Reports **– RETAINED**
Requires department to follow federal and state law and guidelines for short- and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require department to electronically retain copies unless otherwise required by federal and state guidelines, renumbers as Sec. 206. Senate retains, renumbers as Sec. 218.

Sec. 226. Prioritizing In-Person Work **– REVISED**
Requires department to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Executive retains. House revises to require biannual reports on remote work policies by division, building occupancy rates by address, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; defines occupancy as the actual number of employees physically present in a workplace; renumbers as Sec. 222. Senate retains; renumbers as Sec. 216.

Sec. 228. E-Verify Requirement **– NOT INCLUDED**
Requires department to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes department to verify the information directly or to receive certification from the contractor; requires department to submit a report describing the processes it develops and implements; defines E-Verify. Executive deletes. House revises to prohibit department from contracting with foreign entities that are known or suspected enemies of the Unites States or known foreign adversaries; lists known foreign adversaries; renumbers as Sec. 223. Senate does not include. *(The Governor had previously indicated this section was unenforceable.)*

Sec. 229. Impact of Federal Policy Changes **– REVISED**
Requires department to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Executive revises to require reporting on significant federal policy changes that significantly impact department operations. House deletes. Senate revises to include additional report detail, renumbers as Sec. 232.

Sec. 234. Legacy Costs **– REVISED**
Identifies estimated legacy costs funded from FY 2025-26 appropriations. Executive deletes. House revises to update fiscal year and dollar amounts as follows: $34.7 million pension-related legacy costs; $0 health care-related costs; renumbers as Sec. 217. Senate revises to update fiscal year and dollar amounts.

Sec. 235. Annual Strategic Plan/Scorecard Key Metrics **– RETAINED**
Requires department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House revises to require a department scorecard that identifies, tracks, and updates on a quarterly basis, key metrics; renumbers as Sec. 214. Senate retains.

Sec. 236. State Obligations **– RETAINED**
Requires department to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit appropriations from being used to pay for a state obligation that exceeds $200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute; renumbers as Sec. 215. Senate retains.

Sec. 237. Private and Third-Party Funds **– RETAINED**
Requires department to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds. Executive deletes. House retains with minor nonsubstantive change; renumbers as Sec. 210. Senate retains.

Major Boilerplate Changes from FY 2025-26
[Except as otherwise noted, the section numbers are as shown in current year appropriations act.]

***Sec. 225. (House) Severance Pay* – NOT INCLUDED**
Requires department to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official; requires report to include name of official and amount of severance pay; requires report on total amount of severance pay remitted and total number of former employees that were remitted severance pay during prior fiscal year; defines "severance pay" to mean compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits. House includes new language. Senate does not include.

***Sec. 226. (House) U.S. Citizenship* – NOT INCLUDED**
Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. House includes new language. Senate does not include.

***Sec. 227. (House) Diversity, Equity, and Inclusion* – NOT INCLUDED**
Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. House includes new language. Senate does not include.

***Sec. 228. (House) Precontract Risk Assessment* – NOT INCLUDED**
Requires department to use the same precontract risk assessment program utilized by DTMB to evaluate contractor financial compliance, security risks, and insurance requirements prior to contract execution. House includes new language. Senate does not include.

***Sec. 309. Pavement Marking Material* – RETAINED**
Executive deletes section that establishes specific criteria for procurement of pavement marking materials. House retains with language revisions. Senate retains.

***Sec. 312. Property Management* – DELETED**
Executive deletes reporting requirement on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices. House retains. Senate does not include.

***Sec. 388. I-375 Project Prohibition* – DELETED**
Executive deletes section prohibiting the department from spending funds appropriated in part 1 in support of a federal aid grant for an I-375 project in Detroit. House retains. Senate does not include. *(The State Budget Office indicates that this section is unenforceable as a violation of the separation of powers provisions of the Michigan Constitution.)*

***Sec. 389. Long-Term Obligations* –RETAINED**
Executive deletes reporting requirement related to long-term agreements that obligate the department to make future payments of over $10.0 million for five or more years. House retains. Senate retains.

***Sec. 502. Movable Bridge Fund* – NEW**
Executive authorizes carryforward and reappropriation of the unencumbered and unexpended balance in the Movable Bridge Fund for uses in local agency bridge inspection program. House concurs with Executive, as Sec. 505. Senate includes but does not provide for reappropriation.

***Sec. 651. Neighborhood Roads Fund* – NEW**
Executive requires that funds from the Neighborhood Roads Fund be distributed and appropriated to the Local Grade Separation Fund, Comprehensive Transportation Fund, Infrastructure Projects Authority Fund, and the State Trunkline Fund, in accordance with this part and part 1 and section 13c of 1951 PA 51. House concurs with Executive.

***Sec. 652. Neighborhood Roads Fund* – NEW**
Executive indicates that at the close of the fiscal year, any unencumbered and unexpended balance in the neighborhood roads fund not previously allocated under sections (a) through (e) of section 13c(5) of 1951 PA 51 remains in the Neighborhood Roads Fund and carries forward and is appropriated to local road agencies and the State Trunkline Fund according to section 13c(5) of 1951 PA 51. House concurs with Executive. Senate includes but does not provide for reappropriation.

***Sec. 705. Rail Abandonment Notice* – DELETED**
Executive deletes section that requires MDOT to notify legislature when railroad companies file for abandonment of lines. House retains. Senate does not include.

***Sec. 706. (House) Detroit Wayne County Port Authority – Assessment/Financial Disclosure* – NOT INCLUDED**
House includes new reporting requirement; report due June 30, 2027. Senate does not include.

Major Boilerplate Changes from FY 2025-26
[Except as otherwise noted, the section numbers are as shown in current year appropriations act.]

***Sec. 707. Rail Strategic Plan* – RETAINED**
Executive deletes section that required the department to report on a five-year rail strategic plan and that also earmarked $20.0 million for rail-related economic and rail freight system preservation projects. House retains. Senate retains.

***Sec. 719. (House) Park and Ride Access by Public Transit Vehicles* – NOT INCLUDED**
House incudes new requirement that department to allow access to department-owned Park and Ride facilities by public transit agency owned vehicles for the purposes of passenger boarding and disembarking from public transportation vehicles. House includes new language. Senate does not include.

***Sec. 720. Farebox Recovery Intent Language* – DELETED**
Executive, House, and Senate delete section that indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery.

***Sec. 721. (House) Maritime and Port Facility Fund* – DELETED**
Executive deletes. House revises to direct that part 1 appropriations from the Maritime and Port Facility Assistance Fund be used for grants as provided under 159 PA 2022, with priority given to projects authorized under Section (5)(1) of that act, specifically: subdivision (c), matching federal funding opportunities; subdivision (d), dredging waterways and harbors; subdivision (e); repairing seawalls. Senate deletes.

***Sec. 722. (House) CTF transfer to SAF and QAF* – NOT INCLUDED**
House includes new section that provides for the transfer of $7.7 million from the CTF to the state aeronautics fund, and $6.6 million from the CTF to the Qualified Airport Fund. Senate does not include.

***Sec. 802. Air Service Prioritization* – DELETED**
Executive deletes section that establishes priority use of the air service appropriation, including for the department to re-establish and maintain air service between Marquette and Lansing with priority service for emergencies, routine travel for elected state officials, and other uses. House retains. Senate deletes. *(The State Budget Office has indicated that this appropriation is considered unenforceable as a violation of Article 4, Section 25, of the Michigan Constitution, which prohibits the amendment of another public act by reference.)*

***Sec. 1001. (House) Rail Freight Economic Development Grants (CTF)* – NOT INCLUDED**
House includes new section that directs that the part 1 appropriation for rail freight economic development must be used for grants in support of rail freight and rail freight economic development programs in this state. Senate does not include.

***Sec. 1002. (House) Commercial Service Airports (CTF)* – NOT INCLUDED**
House includes new section that directs that the part 1 appropriation Grants to commercial service airports must be used for grants for capital improvements at commercial service airports in this state with fewer than five million enplanements each year. Senate does not include.

***Sec. 1001. (Senate) Great Lakes Tunnel Project – Phase II Oversight* – NEW**
Establishes the part 1 appropriation as a work project in order to support planning, construction oversight, and administration of the Great Lakes Tunnel Project by the Mackinac Straits Corridor Authority, in accordance with section 14d of 1952 PA 214, MCL 254.324d. House does not include this section or related appropriation. Senate includes.